

This is an action to collect amounts due under a promissory note. The plaintiff alleges a cause of action for fraud based upon plaintiff's false promise to register a motor vehicle in a manner that would allow plaintiff to perfect its security interest in the property.

More particularly, plaintiff claims that, as an inducement to complete the loan process, defendant promised that he would register the vehicle in California so that plaintiff could perfect its lien in the vehicle. The complaint further alleges that the promise was made without the intention to perform it, and that, had plaintiff known of this intention not to perform, it would not have completed the transaction. Plaintiff alleges that it suffered damage as a result of the fraud. Defendant demurs to the fraud cause of action, contending that the pleading lacks sufficient particularity to support the fraud cause of action.

The elements of promissory fraud, which give rise to the tort action for deceit, are (a) misrepresentation (false representation, concealment, or nondisclosure); (b) knowledge of falsity; (c) intent to induce reliance; (d) justifiable reliance; and (e) resulting damage. *Lazar v. Superior Court* (1996) 12 Cal.4th 631, 638 (citations omitted). Each of these elements is alleged with sufficient particularity to fairly apprise the defendant of the basis of the fraud claim.

The false promise is a promise to register the vehicle in a manner that would allow the plaintiff to perfect its security interest. Defendant's subjective intent is within the knowledge of the defendant. Less specificity in the pleading is required under these circumstances. Exhibit B is a consumer security agreement wherein defendant granted a security interest in the property to the plaintiff. Reasonable reliance on defendant's statements, without independent inquiry or investigation, can be inferred from the allegations of the complaint. Although the complaint alleges damages generally, it is clear that the damage incurred is the additional cost of collection of an unsecured debt.

The demurrer is overruled. A cause of action for fraud independently supports a claim for punitive damages pursuant to Civil Code § 3294. The motion to strike the punitive damages claimed is denied.